



General Assembly

January Session, 2011

***Raised Bill No. 6365***

LCO No. 2807

\*02807\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***AN ACT CONCERNING INSURANCE FOR MUNICIPALITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2011*) All insurance maintained by  
2       a municipality shall, prior to renewal, be submitted for competitive  
3       bid.

4       Sec. 2. Section 38a-707b of the general statutes is repealed and the  
5       following is substituted in lieu thereof (*Effective July 1, 2011*):

6       (a) For purposes of this section, "insurance", "insurance producer"  
7       and "insurer" have the same meanings as provided in section 38a-702a,  
8       and "municipality" means any town, city or borough, consolidated  
9       town and city or consolidated town and borough.

10       (b) Any insurance producer who sells, solicits or negotiates  
11       insurance on behalf of an insurer to a municipality or local or regional  
12       board of education shall: [, upon]

13       (1) Upon request from the municipality or local or regional board of  
14       education, fully disclose, in writing, the amount of any fees or

15 compensation such insurance producer receives from the insurer for  
16 such services pursuant to the written memorandum required under  
17 section 38a-707 or the Investment Advisers Act of 1940, 15 USC 80b-1,  
18 et. seq., as amended from time to time; and

19 (2) List as a separate line item in any insurance policy rate quote  
20 provided by such insurance producer the amount of such producer's  
21 commission for such policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2011</i>	New section
Sec. 2	<i>July 1, 2011</i>	38a-707b

***Statement of Purpose:***

To require (1) municipalities that maintain insurance to submit for competitive bidding prior to renewal of such insurance, and (2) insurance producers that sell, solicit or negotiate insurance on behalf of an insurer to a municipality or local or regional board of education to list such producer's commission as a separate line item on any insurance rate quote provided to such municipality or board of education.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*